

FOCUS | VIEWPOINT

Nation's Restaurant News

is published by
LEBHAR-FRIEDMAN INC.
425 Park Ave., New York, N.Y. 10022
212 371-9400
Subscription Services, ext. 379 or 419
Cable Address: LEBHAFRIED
Panafax: 212 638-9487

Publisher **JAMES C. DOHERTY**

Editor **CHARLES BERNSTEIN**

Executive Editor **Rick Teiberg**
News Editor **Tracey Taylor Woodard**
Senior Desk Editor **Barbara Bodkin Farrell**
Special Projects Editors **Joe Edwards**
Peter J. Romeo

Senior Editors **Marilyn Alva**
Kenneth Frydman, **Rick Van Warner**
Associate Editors **Karen Bruno**,
Bill Carlino

Field Editor **Rajan Chaudhry**

Bureau Editors **Richard Martin** (West
Coast Chief **Los Angeles**),
Alan Liddle (San Francisco),
Carolyn Walkup (Midwest/Chicago),
Jack Hayes (Atlanta),
Ken Rankin (Washington)

Copy Editor **Michael Schrader**

Desk Editors **Jeanne Isenberg**,
Peter G. Keegan, **Katherine Rabin**

Contributing Editors **Stephanie Curtis**,
Florence Fabricant, **Mort Hochstein**,
Ald Kaplan, **Patt Patterson**,
Arthur Schwartz

Editorial Assistant **Maryann Brunner**

Art Director **Milton Berwin**

Graphic Artist **Alice Fernandez-Brown**

Eastern District Manager
Steven T. Lichtenstein

Eastern Area Managers
Chris Kirkby, **Mary Jo Romeo**

Advertising Sales Coordinator
Chris Hernandez

Production Manager **Francine Rizzo**

Research Director **Anna Frasciello**

Circulation Director **Steve Pippin**

Production Director **Stan Kaufman**

Associate Director Classified
Teresa Loquerio

Classified Advertising Manager
Leslie Wolowitz

Executive Director Circulation **Ed Nessel**

Group Publisher **C. Reese Musgrave**

Founder (1900-1981) **Arnold D. Friedman**

President **J. Roger Friedman**

VP/Publication Services **Barry Braverman**

Sr. VP/Group Pub. **Jim deGraffenreid**

VP/Planning **Harry A. Estes**

VP/Publishing **Jay Forbes**

VP/Finance **James Granato**

VP/Human Resources **Richard D. Groberg**

VP/Editorial Director **David G. Mahler**

Sr. VP/Group Pub. **C. Reese Musgrave**

REGIONAL OFFICES

Atlanta 278 Spring Drive, Roswell, Ga.
30075, 404-993-0978

Boston 1 Gateway Center, Newton, Mass.
02158, 617-527-6394

Regional Manager **James H. Maiver**

Cleveland Summit One Building, 4700
Rockside Road, Independence, OH
44131, 216-642-3420

Office Manager **Martha MacVeen**

Area Manager **John Blatnik**

Chicago 444 N. Michigan Ave., Chicago, Ill.
60611, 312-644-8888

Regional Manager **Edward Nessel**

District Manager **Gary Knuth**

Area Manager **John McGuire**,
Ed Weisbrod

Los Angeles 608 N. Larchmont Blvd., Los
Angeles, Calif. 90004, 213-464-8321

Regional Manager **John Donoghue**

District Manager **David M. Pittman**

San Francisco 400 Montgomery St., Suite
1110, San Francisco, Calif. 94104, 415-
362-2575

Regional Manager **Dick Harrigan**

Area Manager **Pattilay Lee**

Washington 17735 Striley Drive, Ashton,
Md. 20861, 301-774-3895

Mgr., Corres. **Kenneth Rankin**

Correspondents **Deane Evans**,
Nicole Miles

Japan Diamond-Friedman Ltd., Chain Store
Age News, Japan 1-4-2 Kasumigaseki,
Chiyoda-ku, Tokyo, Japan, 504-8750

ABC MPA ABP

Publisher of Nation's Restaurant News, Dis-
count Store News, National Home Center
News, Drug Store News, Accounting Today,
Computer & Software News, Computer
Product Selling, Chain Store Age Executive
(with Shopping Center Age), APPAREL
merchandising, Business Guides Inc.,
Lebhar-Friedman Books, Inside Retailing
(Newsletter), Chain Store Age News, Japan,
Largo Music Inc.

Subscriptions

Call (212) 371-9400, ext. 419

Having a problem with your subscription?

Send us full details, including the mailing la-
bel from the last copy you received, along
with your telephone number. We'll do every-
thing possible to solve the problem at once.

Write to Circulation Fulfillment Director, Na-
tion's Restaurant News, 305 Madison Ave.,
Suite 535, New York, N.Y. 10165-0079.

Permissions

Materials in this publication may not be re-
produced in any form without written permis-
sion. Requests for permission should be di-
rected to Nation's Restaurant News, pub-
lisher, Lebhar-Friedman Inc., 425 Park
Ave., New York, N.Y. 10022.

'Help Wanted': Retention is the answer

In a recent panel discussion sponsored by this newspaper, the endless array of Help Wanted signs that have become an integral part of the food-service landscape were deplored as counterproductive and detrimental to the industry.

The signs indicate that anyone is acceptable, and, unfortunately, that may be the reality. But there must be ways to

Editor's Corner

Charles Bernstein



boost rather than down-grade the industry's image. Words like "qualified persons sought" would be more effective than the implication that anyone off the street will be hired in these desperate times.

As Donald Campbell, president of Cleveland-based KFC franchisee Kenny King Corp., aptly expressed it: "These help-wanted signs that we see everywhere are a symbol that restaurants will accept any kind of help. We've got to start emphasizing that we want special people who have what it takes in this business, people who will stay so that we won't have this endless recruiting problem."

We concur that better methods can be found to make employees feel special and build esprit de corps. Help-wanted signs would not be seen everywhere—even with the current and future proliferating labor shortages—if employees in the restaurants were properly trained and motivated.

The turnover rate in restaurants continues to be appalling—well over 100 percent annually at more operations than anyone will admit. While everyone talks about recruiting challenges, the real spotlight should be on retention.

One system to raise the manager's motivation level with the resultant contagious enthusiasm of unit employees is a manager-partner program where the manager gets a portion of investment ownership and profits. As previously reported, this piece-of-the action approach is being carried through successfully by Au Bon Pain, KFC franchisee Harman Management,

Golden Corral, and others.

Still, money is not the only incentive or even the most effective one, although it helps. Job satisfaction is the prime motivator and the area where many operations fall short.

Operators tend to merely toss a rote-learning training manual at new employees and let them flounder. A mentor program whereby employees would have someone to emulate would be a vast improvement. Constant coaching to build the individuals and the team is also needed.

Retention hinges largely on instilling pride in the employees and emphasizing flexibility. Instead, we see rigidity on the part of employers stressing a "corporate" rather than a personalized approach.

Job specifications often are mandated, and people have to fill the bill. However, it wouldn't be a bad idea to tailor the job to the individual's ability. Waiters, kitchen people, bartenders, and others could try each other's jobs. This variety would add zest to the employees' work and not lock them into one niche or another.

College scholarships also are a fine way to motivate younger employees and build loyalty. Such investments, amounting to thousands of dollars with individual employees, pay immediate and long-term dividends.

Retention efforts often are doomed before they really start. According to some estimates, as many as half of all employees who leave in any given year actually exit in the first month. Too many are being trained in a "sink or swim" method, where many do not make it.

Operators almost seem to make a fetish of promoting unit turnover through quick discharges and resignations, with a constant stream of new, untrained employees. A workplace where workers are encouraged and helped to gain confidence in their skills makes a lot more sense than one of chaos and poor morale caused by constant turnover.

How sad that so much time, effort, and money are spent on recruitment with extremely mixed results but so little thought is given to retaining new and veteran employees alike. The priorities are backwards, and the consequences are disastrous.

It's time to focus maximum resources and commitments on retention.

LETTERS

Bonanza operator earns grateful pat on the back

Editor, NRN:

Too often many of us hear about the various customer service concerns and problems that exist in today's marketplace.

We recently received a refreshing letter from a Bonanza restaurant operator in Martin, Tenn. We thought that it would be a nice sidebar story in Nation's Restaurant News. I have attached the correspondence for your use.

—Dale Conwell
director marketing services
Bonanza Restaurants L.P.
Dallas

Editor's Note: Here's the letter:
To Whom it May Concern:

Approximately three weeks ago, my little two-year-old girl was standing up in the chair, facing away from the table. I had warned her earlier to sit down; she did not heed me. In a brief moment, all most no time at all, she fell, facing backwards in the chair. She hit, face first, striking the edge of a bench—four stitches were required.

Before you get alarmed, thinking I am writing to ask for damages, don't. I am writing to commend the manager and employees of the Bonanza restaurant in Martin, Tenn.

I believe the manager's name is Mr. Rickman. He and his employees showed the utmost courtesy and the utmost concern for my little two-year-old girl—Hayley Rayann Horton.

The accident is my fault.
I just wanted to make sure that someone at Bonanza headquarters knew about the compassionate, and yet professional, people that you all have working for you.

Mr. Rickman, knowing that we had just received our meals, gave us a gift certificate for the amount of the food we had ordered, yet had not had time to eat. This, his gift certificate, was nice and good; however, what really impressed my wife and me was the urgency and the compassion extended unto us by your employees.

Good supervisors and good administrators are hard to come by. However, good supervisors and good administrators who know when to be human are extra hard to come by. Consider yourself very lucky indeed to have such a man as Mr. Rickman working for you.

—Howard R. Horton
Dresden, Tenn.

Timeliness plays key role in reporting at NRN

Editor, NRN:

As a subscriber to Nation's Restaurant News for more than 20 years and until recently an operator in the hospitality industry, I want to thank you for your ongoing timeliness in reporting on changes in the law—specifically the recent lead on FICA.

Keep up the good work!

—Kenneth Rapley
Hayman Business Systems
Washington, D.C.

Metro Report and NRN: Just can't get enough

Editor, NRN:

Here's a fan letter to NRN special projects editor Joe Edwards.

I want to tell you how much I appreciate and enjoy his Metro Report column and other writing in NRN and how generally and specifically useful it is to me.

NRN is one of the very few publications that looks like a barracuda's been at it when I finally put it aside. I count it as one of my most important resources.

—Bob Lape
restaurant reviewer for WABC-TV
New York

Advertising workshop sees power of the press

Editor, NRN:

I wanted to thank you personally for running an article on our "Advertising on a Shoestring" workshop.

The response we got from that article was fantastic. What influence your newspaper has! It's absolutely wonderful.

It really made me realize how valuable you are for the success of any event, because so many people read the newspaper so carefully and thoroughly.

So thanks again. I really appreciated your interest.

—Shirley Benedict
New York Metro Roundtable
for Women in Food Service
New York

FOCUS | NRN

For convenience' sake

A report done by The NDP Group reveals that the take-out trend is growing as American consumer taste focuses on convenience

A By Marilyn Alva
study of consumer eating patterns reveals that dining habits among Americans are indeed changing as convenience becomes the dominant force in meal decisions.

The NPD Group's so-called Report on Eating Patterns in America underscores the fact that take-out is a long-term trend that is growing and that home is where restaurant meals are being consumed more and more. One in five restaurant meals was said to be consumed at home.

A significant finding in the take-out realm is that pizza has become the most popular take-home food, dethroning the traditional sandwich-burger.

As the study's project director, Mark Plotnick, noted, "Pizza is a more costly item to take home, but people don't care."

Dual-income households with no children, known as DINKS, followed by singles, are currently bringing home the greatest number of meals, according to the report.

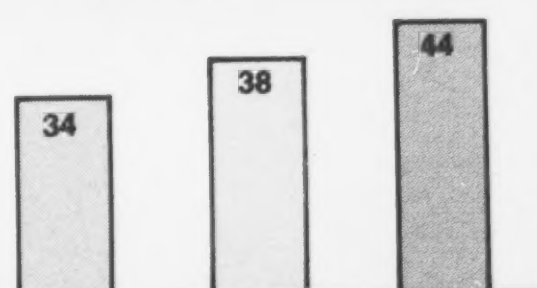
Yet, it added, long-term growth of take-home is being fed by households with children and affluent singles, the latter being the heaviest total restaurant-using category. In five years' time working parents increased their number of take-home meals by 11 percent and affluent singles by 10 percent.

The NPD Group is a
(See EATING, page F69)

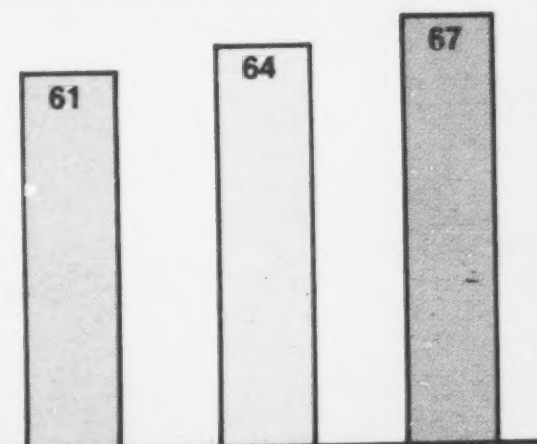
CONCERN FOR NUTRITION, HEALTH GROW

(Percent of Households Agreeing with the Following Statements)

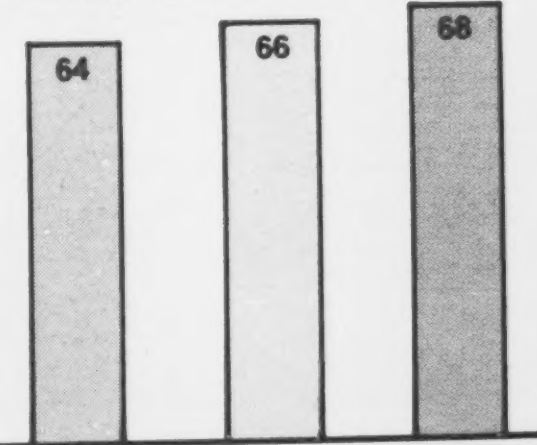
1 I carefully plan my household meals to be sure they are nutritious



2 A person should be cautious about serving foods with cholesterol



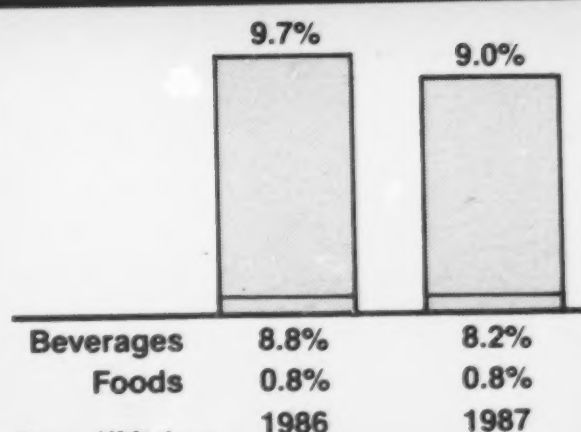
3 A person should be cautious about serving foods with fat



Source: NPD Group

LITE/LOW CALORIE TREND

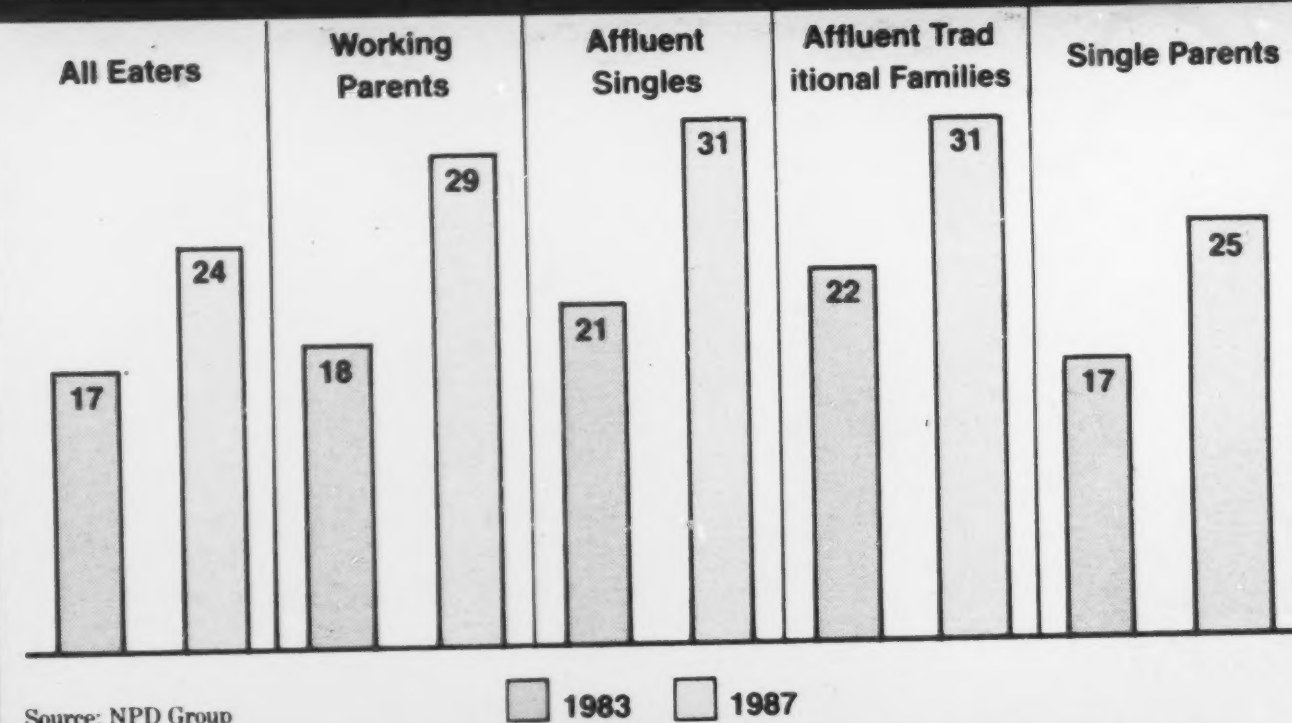
(Percent of In-Home Meals, Snacks Including a Lite Low Calorie Product)



Source: NPD Group

WHAT SEGMENTS ARE TAKING HOME MORE MEALS OVER TIME?

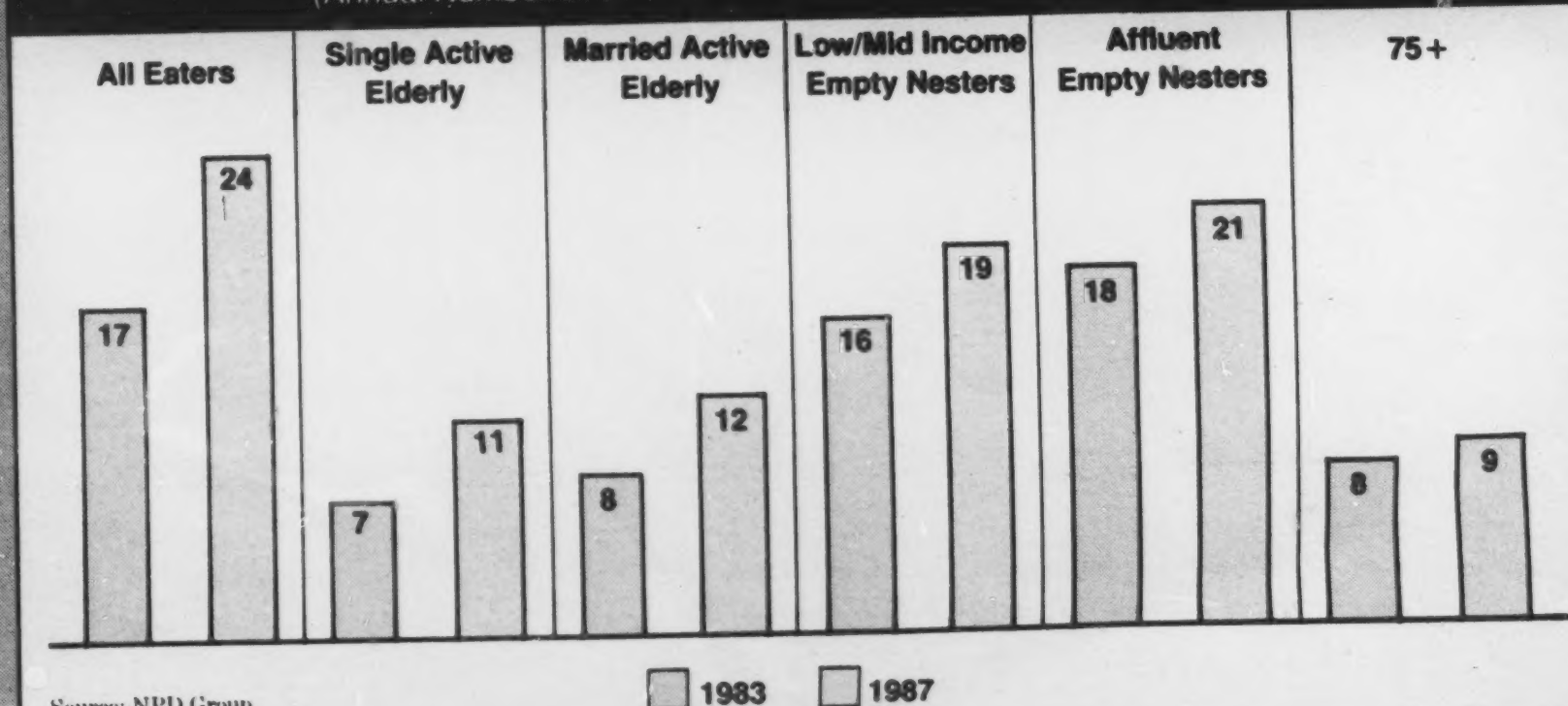
(Annual Number of Take-Home Meals Per Person)



Source: NPD Group

WHAT SEGMENTS ARE TAKING HOME THE FEWEST MEALS?

(Annual Number of Restaurant Take-Home Meals Per Person)



Source: NPD Group

FOCUS | NRN

Who are the most active restaurant users? According to the study, working parents and DINKS, followed by affluent empty nesters.

Eating trends

(Continued from page F64)

market research firm based in Park Ridge, Ill. Its recent report is a consummate portrait of the trends and changes in current eating behavior both at home and away from home.

The study included surveys of thousands of representative households across the country in each year since 1983, with the last ending in February 1987.

Although nutrition was shown to be a growing concern, "Convenience is still the driving force in eating patterns," Plotnick said.

As for health concerns, in five years' time the number who said they plan nutritious household meals increased 10 percent. Further, 6 percent more said they are more cautious about foods with cholesterol, and 4 percent more said they are more concerned about serving foods with fat.

Still, convenience was a more dominant force in influencing actual eating behavior, the study showed. For instance, the number of labor-intensive food items consumed has slowly been on the decline, with a 7.7-percent drop in 1987 over the preceding-year figure.

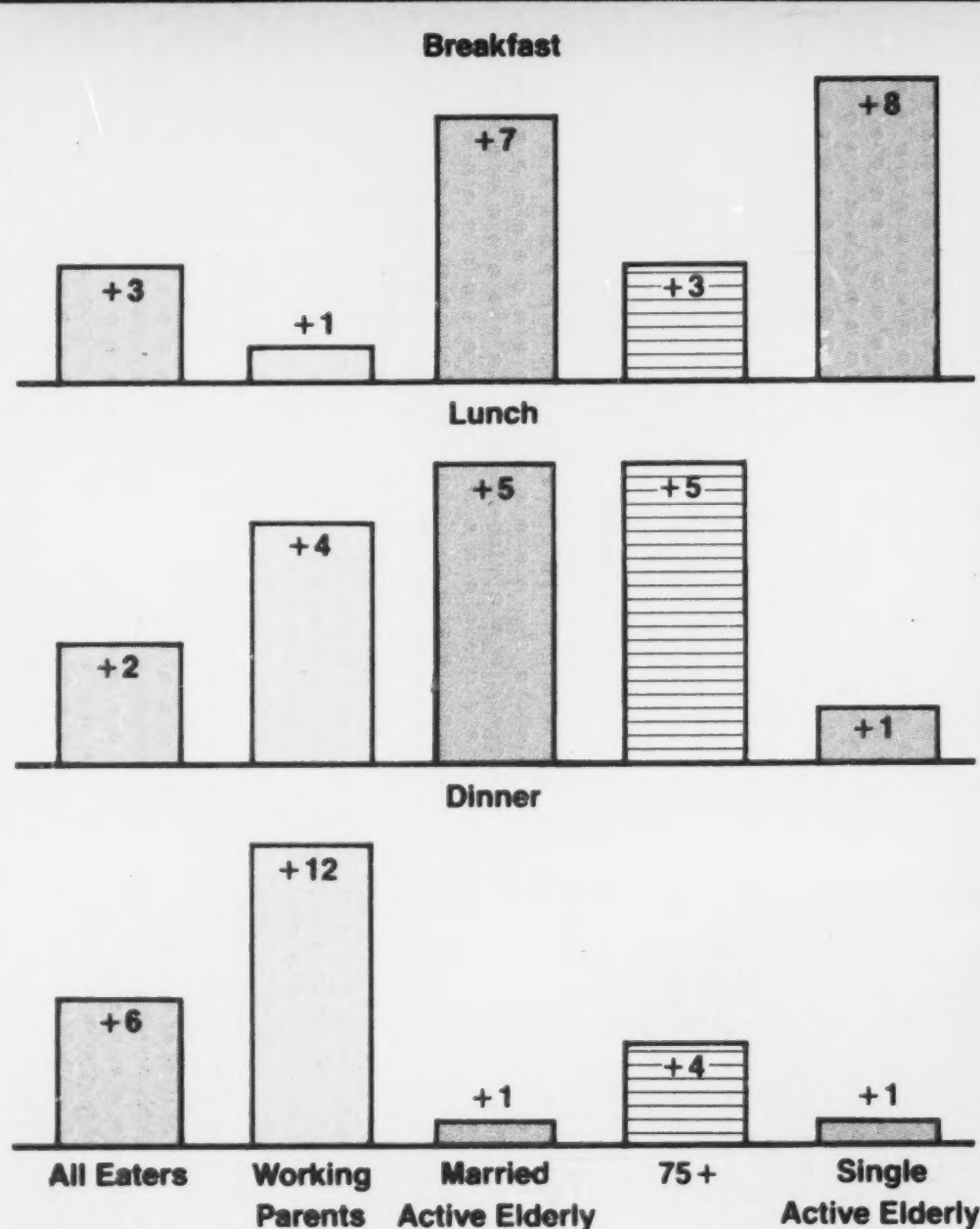
Breakfast has shown the most consistent trend away from labor intensive food items, with a 7.3-percent decline in 1987.

Who are the most active restaurant users? According to the study, young singles and DINKS, followed by affluent empty nesters. Households with children and limited earning power visit

(See EATING, page F70)

AT WHICH OCCASION ARE SEGMENTS GROWING?

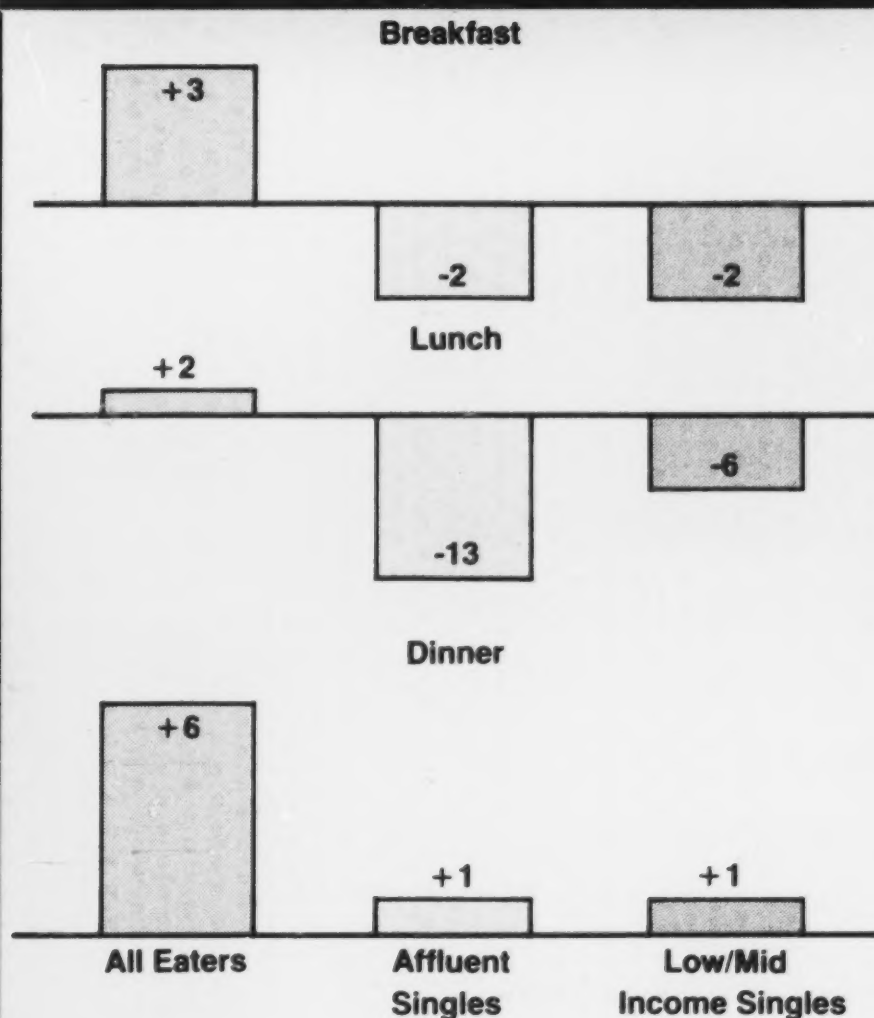
(Change in Annual Number of Meals Purchased at Restaurants by Occasion)
(1983 vs. 1987)



Source: NPD Group

AT WHICH OCCASIONS ARE THESE SEGMENTS DECLINING?

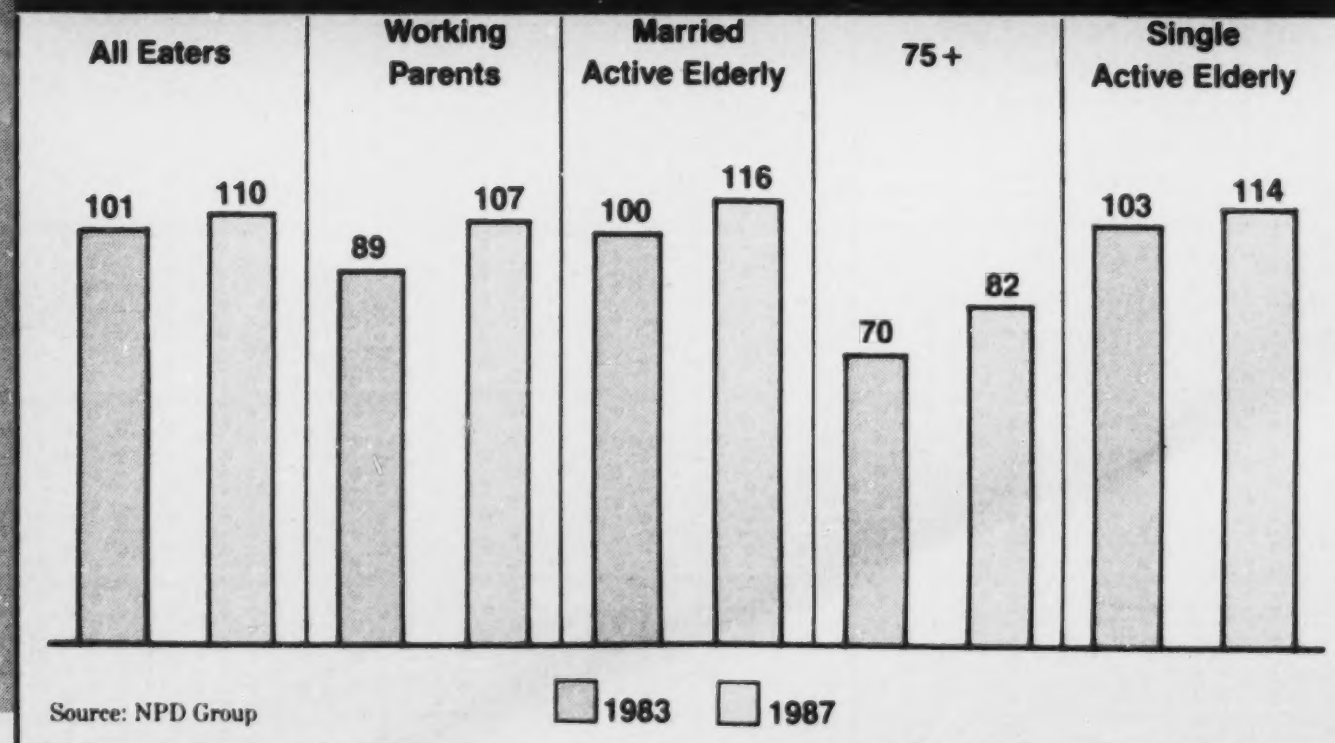
(Change in Annual Number of Meals Purchased at Restaurants By Occasion)
(1983 vs. 1987)



Source: NPD Group

WHICH SEGMENTS ARE EATING MORE RESTAURANT MEALS?

(Annual Number of Meals Purchased at Restaurants Per Person)



Source: NPD Group

FOCUS | NRN

Where does that leave lunch? Suffering. The biggest decline in usage among the top two restaurant-using segments was shown to have occurred at lunch.

Eating trends

(Continued from page F69)
restaurants the least often, it also noted.

Yet working parents and the elderly have shown the largest increases in restaurant eating in the past five years, the eating study also revealed. In the five years since 1983, working parents increased their restaurant visits by 18 percent, and married active elderlies by 16 percent, the survey noted.

The working parents were shown to be frequenting restaurants more often at dinner, while the elderly were making more trips to restaurants primarily at breakfast.

Where does that leave lunch? Suffering. The biggest decline in restaurant usage among the top two restaurant-using segments was shown to have occurred at lunch, the report revealed, with drops of as much as 13 percent. "So much for power lunching," declared a NPD researcher.

In the snacking area, the heaviest group was said to be younger singles and the lowest the elderly.

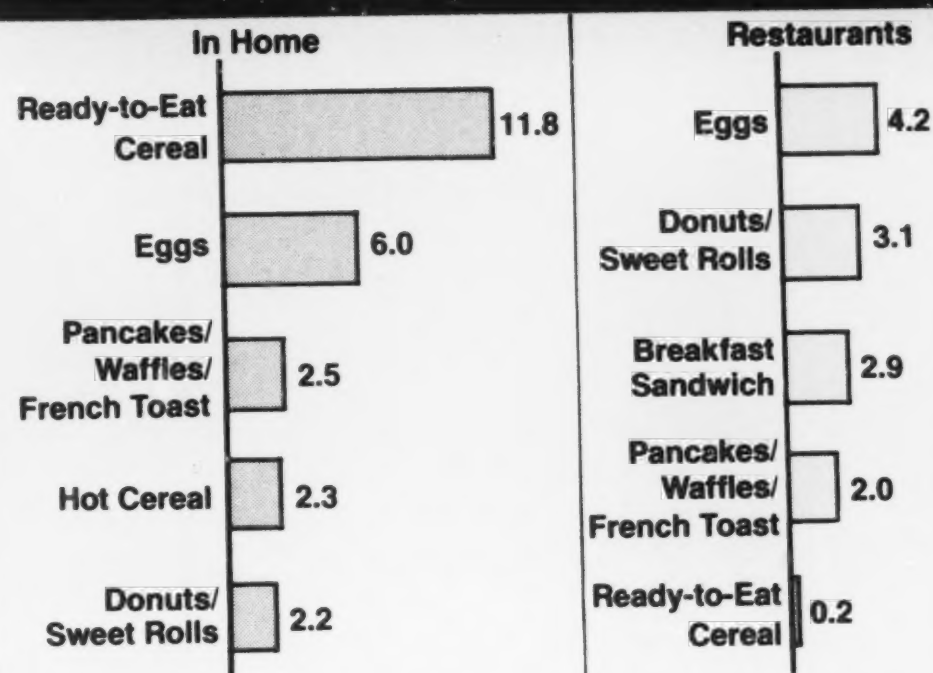
Which kinds of food and drink are most popular?

In the main-dish category, red-meat sandwiches scored the highest, although its intake at restaurants was shown to be three times greater than it was at home. Some 29.7 percent said red-meat sandwiches were their favorites at restaurants, while only 9 percent said the same for in-home consumption.

Pizza was the second favorite in restaurants, with (See EATING, page 72)

POPULAR BREAKFAST DISHES

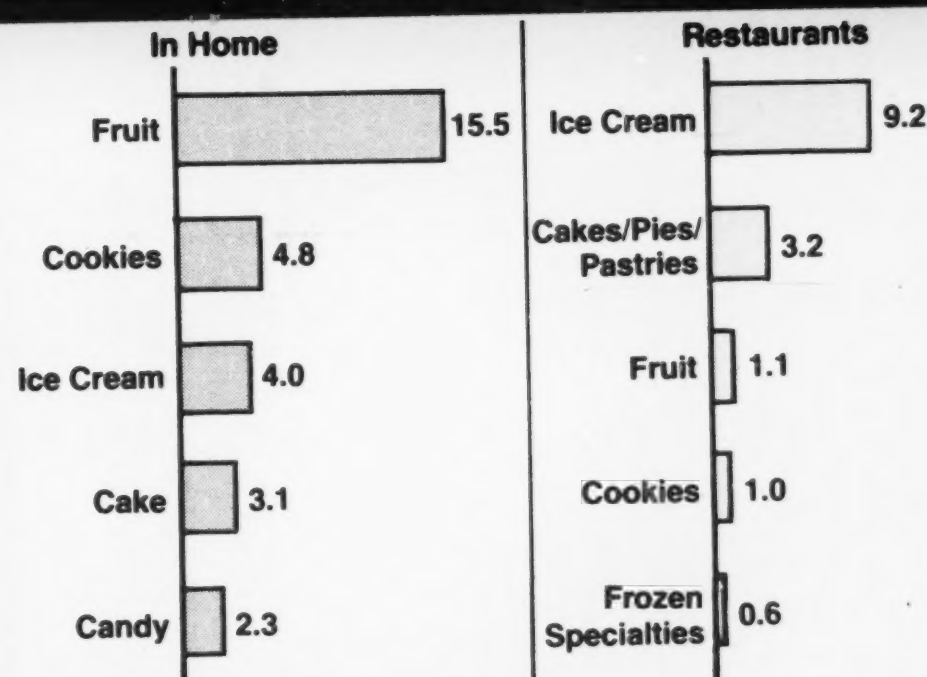
(Percent of Main Dishes Consumed at Breakfast)



Source: NPD Group

POPULAR DESSERTS

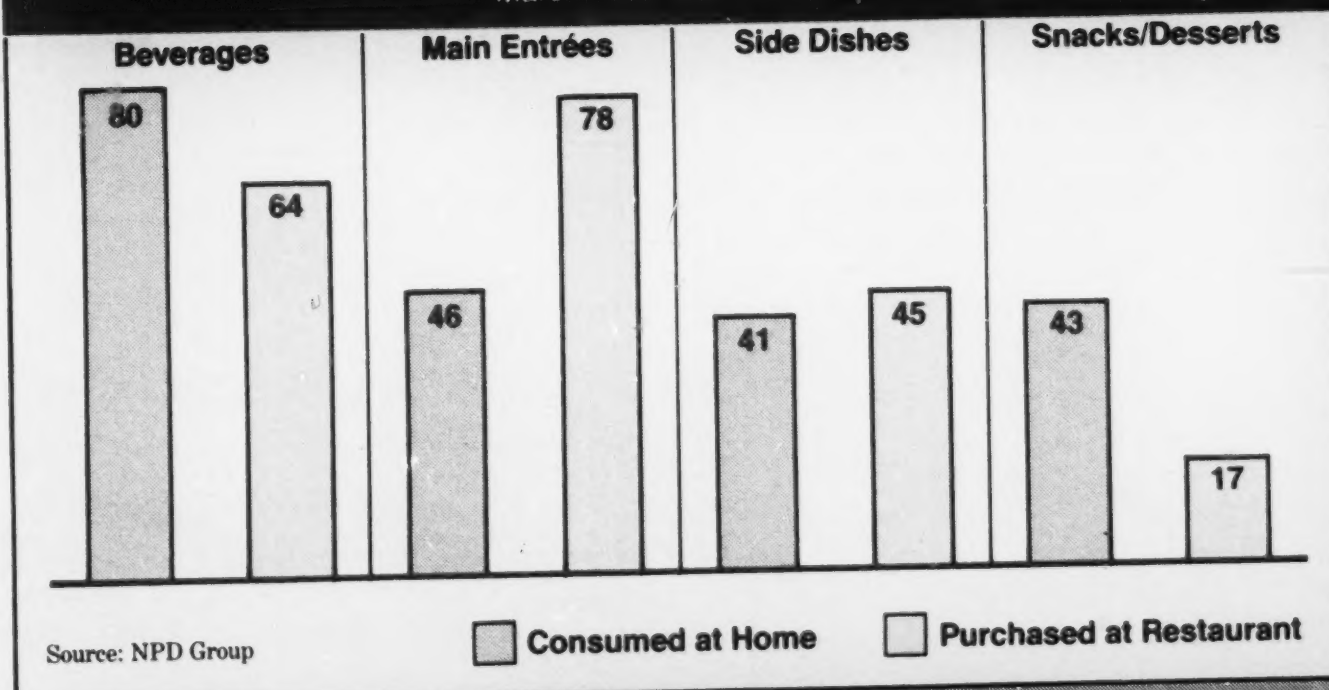
(Percent of Desserts Eaten with Main Meals)



Source: NPD Group

HOME VS. RESTAURANT MEALS

(Percent of Total in Home Restaurant Meals Including Types of Dishes, March 1986-Feb. 1987)



Source: NPD Group

MOST POPULAR FOOD/BEVERAGE ITEMS BY CATEGORY

(Incidence at All Meals/ Snacks)

	In Home	Restaurants
Beverages	Milk (19.4%)	Soft Drinks (29.7%)
Entrées	Red-Meat Sandwiches (9.0%)	Red-Meat Sandwiches (29.7%)
Side Dishes	Vegetables (18.4%)	Potatoes (32.5%)
Desserts	Fruit (15.5%)	Ice Cream (9.2%)
Breakfast	Ready-to-Eat Cereal (11.8%)	Eggs (4.2%)

Source: NPD Group

FOCUS | NRN

Potatoes were rated the most popular side dish items in restaurants, while vegetables were so named for the home.

Eating trends

(Continued from page F70)
11.7 percent, followed by poultry and seafood. In the home, however, combination dishes scored second-highest after red-meat sandwiches, followed by beef and poultry.

Potatoes were rated the most popular side dish items in restaurants, while vegetables were so named for the home.

Favorite desserts? In restaurants they were ice cream. At home: fruit.

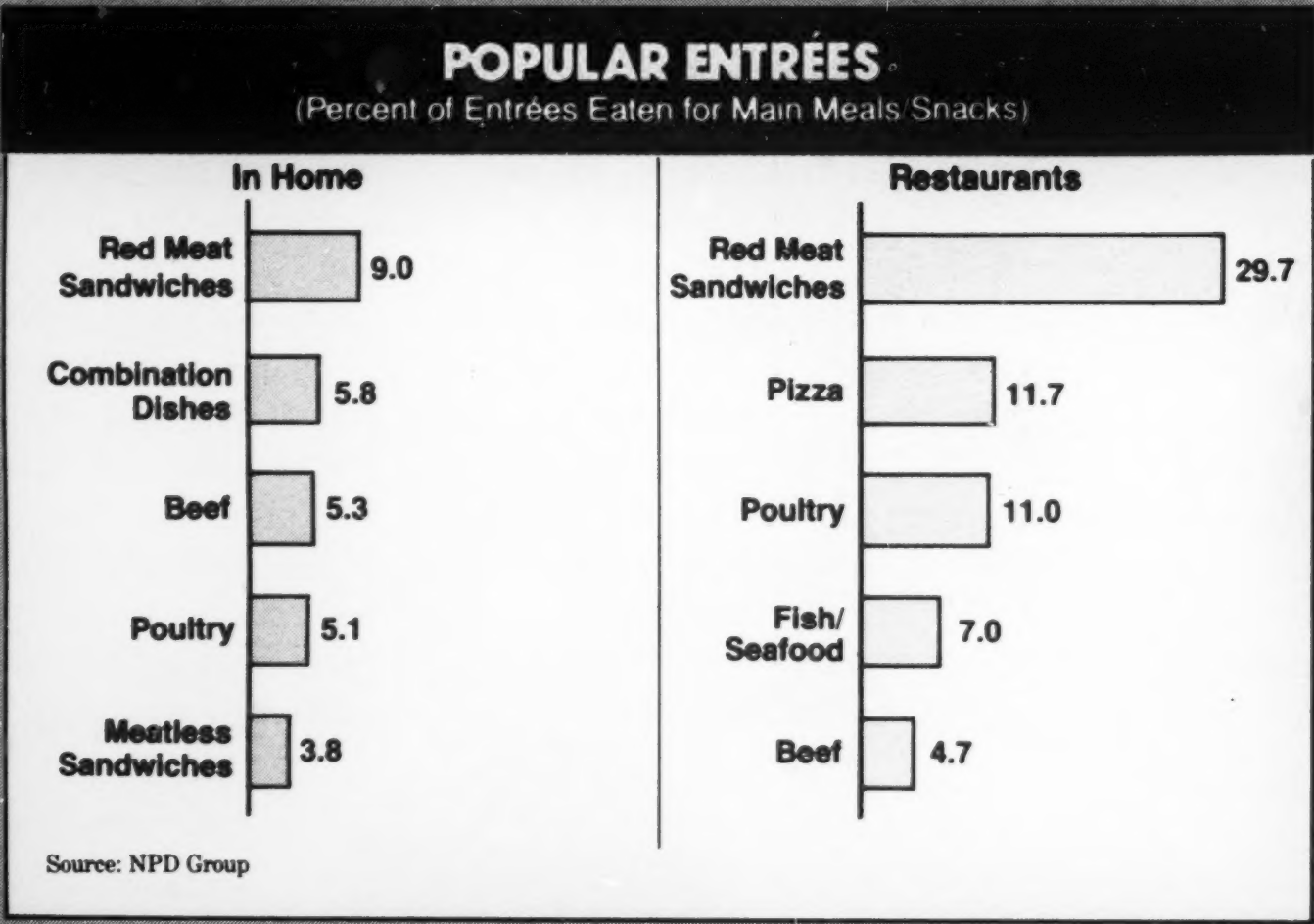
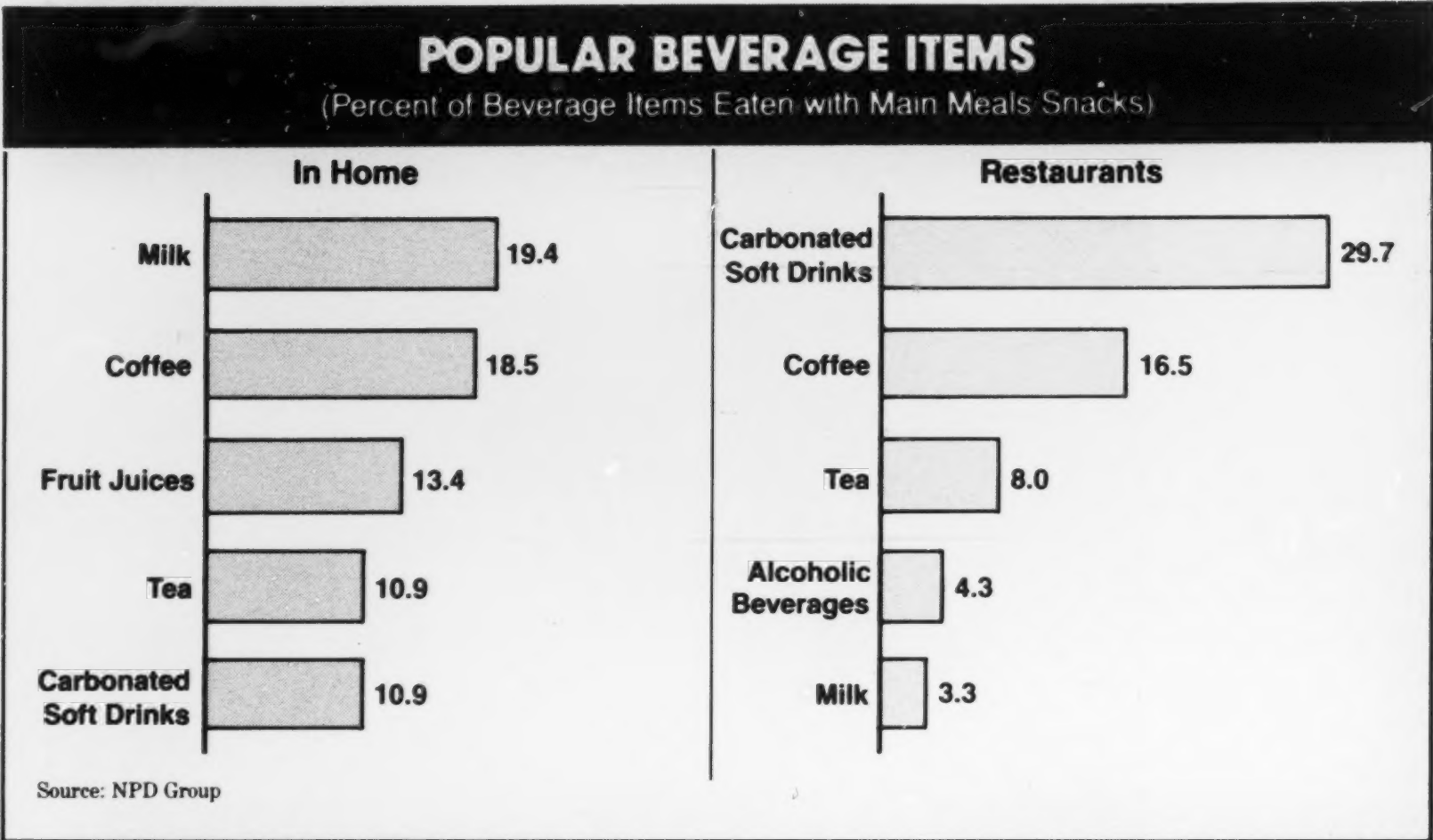
At home, ready-to-eat cereals, followed by eggs, were said to be the growing choice among respondents for breakfast (up 11.8 percent and 6 percent, respectively), while breakfast favorites at restaurants were less clear-cut. Those showing a preference for eggs in restaurants increased 4.2 percent, while those partial to donuts and sweet rolls, breakfast sandwiches, and pancakes, waffles, and French toast increased between two and three percentage points.

Popular beverage items showed differences between the house and the restaurant.

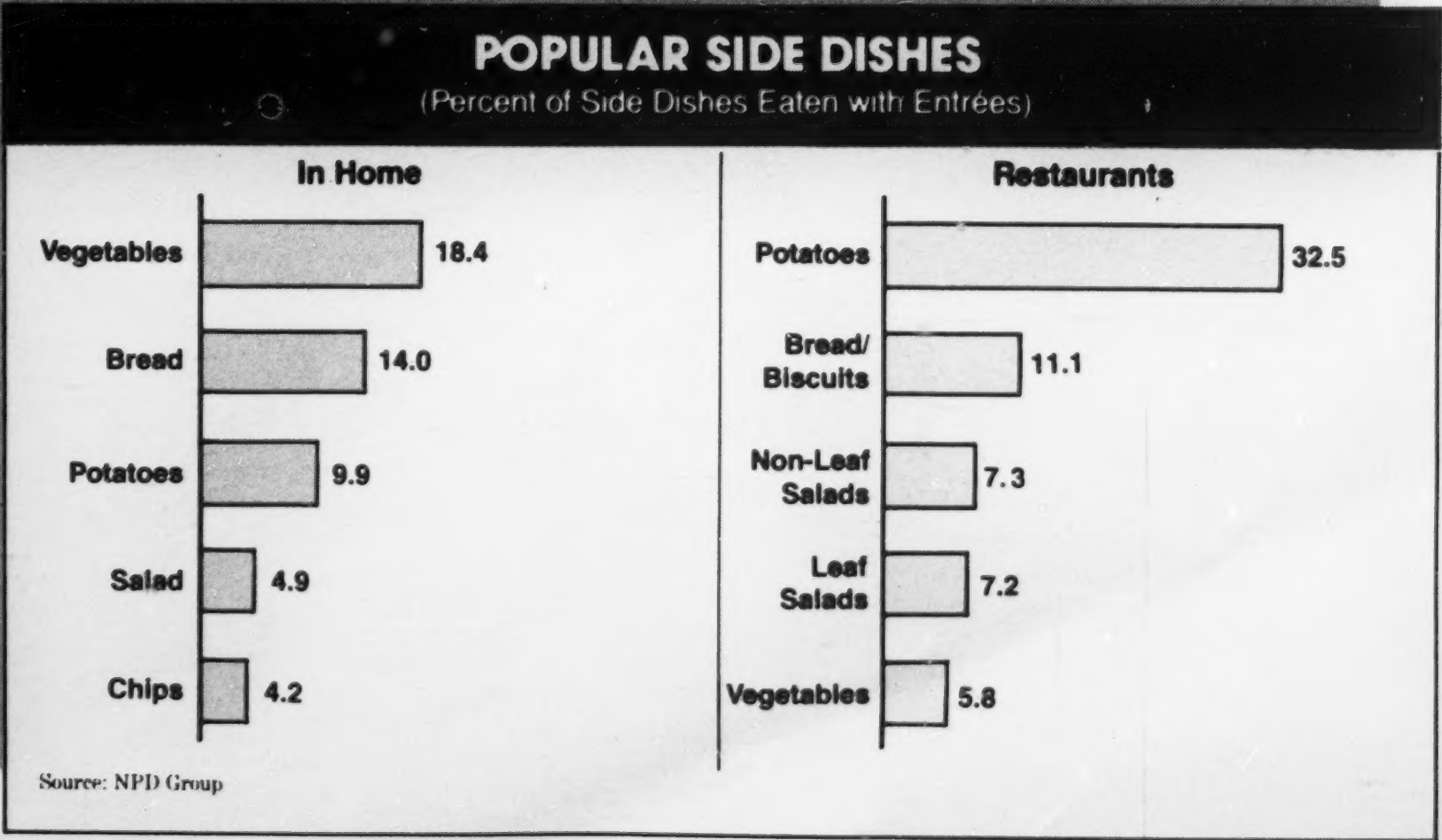
In restaurants the favored drink was carbonated soft drinks (29.7 percent), followed by coffee (16.5 percent), tea (8 percent), alcoholic beverages (4.3 percent), and milk (3.3 percent).

In contrast, milk was the favored drink in the home (19.4 percent), followed by coffee (18.5 percent), fruit juices (13.4 percent), tea (10.9 percent), and carbonated soft drinks (10.9 percent).

(See EATING, page F74)



MORE CHARTS
SEE PAGE F74



FOCUS | NRN

NDP Group Report: Eating Patterns in America

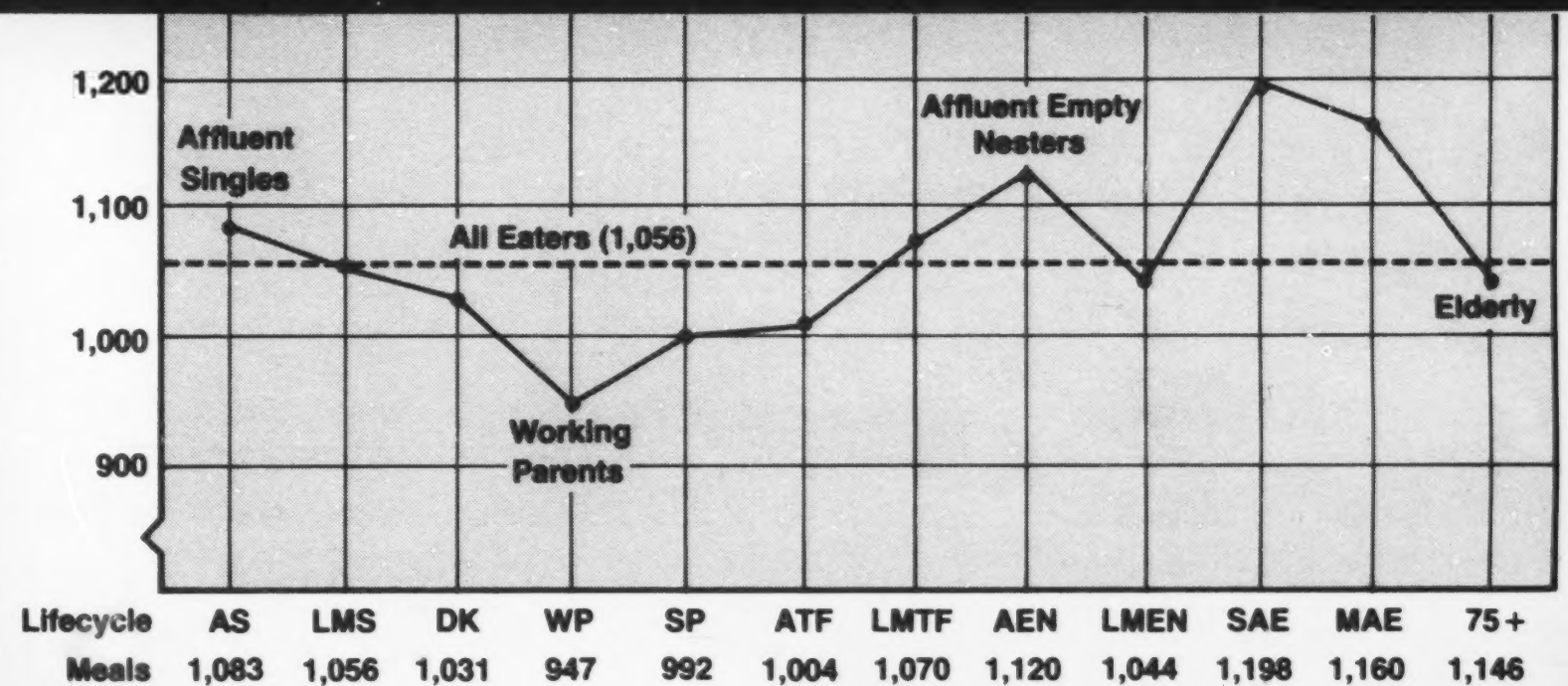
EATING BEHAVIORS AND LIFECYCLES

Throughout this section, lifecycle groups will carry the following abbreviations:

- **AS — Affluent Singles:** Under 65, household income is \$18,000 or more a year.
- **LMS — Low/Mid Income Singles:** Under 65, household income is under \$18,000 a year.
- **DK — Double Income, No Kids:** Couples under 45 years, without children, both employed.
- **WP — Working Parents:** Male and Female under 65 years, both employed with children.
- **SP — Single Parents:** household head (typically female) under 65, without spouse, with children.
- **ATF — Affluent Traditional Families:** Children (under 18 years) present and only one spouse employed, per capita income is \$7,000 or more a year.
- **LMTF — Low/Mid Income Tradition Families:** Children (under 18 years) present and only one spouse employed, per capita income is less than \$7,000 a year.
- **AEN — Affluent Empty Nesters:** Middle age households without children under 18 years, per capita income is \$14,000 or more a year.
- **LMEN — Low/Mid Income Empty Nesters:** Middle age households without children under 18 years, per capita income is less than \$14,000 a year.
- **SAE — Single Active Elderly:** Single and between 65 and 74 years.
- **MAE — Married Active Elderly:** Married and between 65 and 74 years.
- **75+ — 75 Years and Older:** Household head is 75 or more years.

WHO ARE THE MOST ACTIVE EATERS?

(Annual Number of Meals/ Snacks Per Person — All in-home, "carried" restaurant meals and snacks)

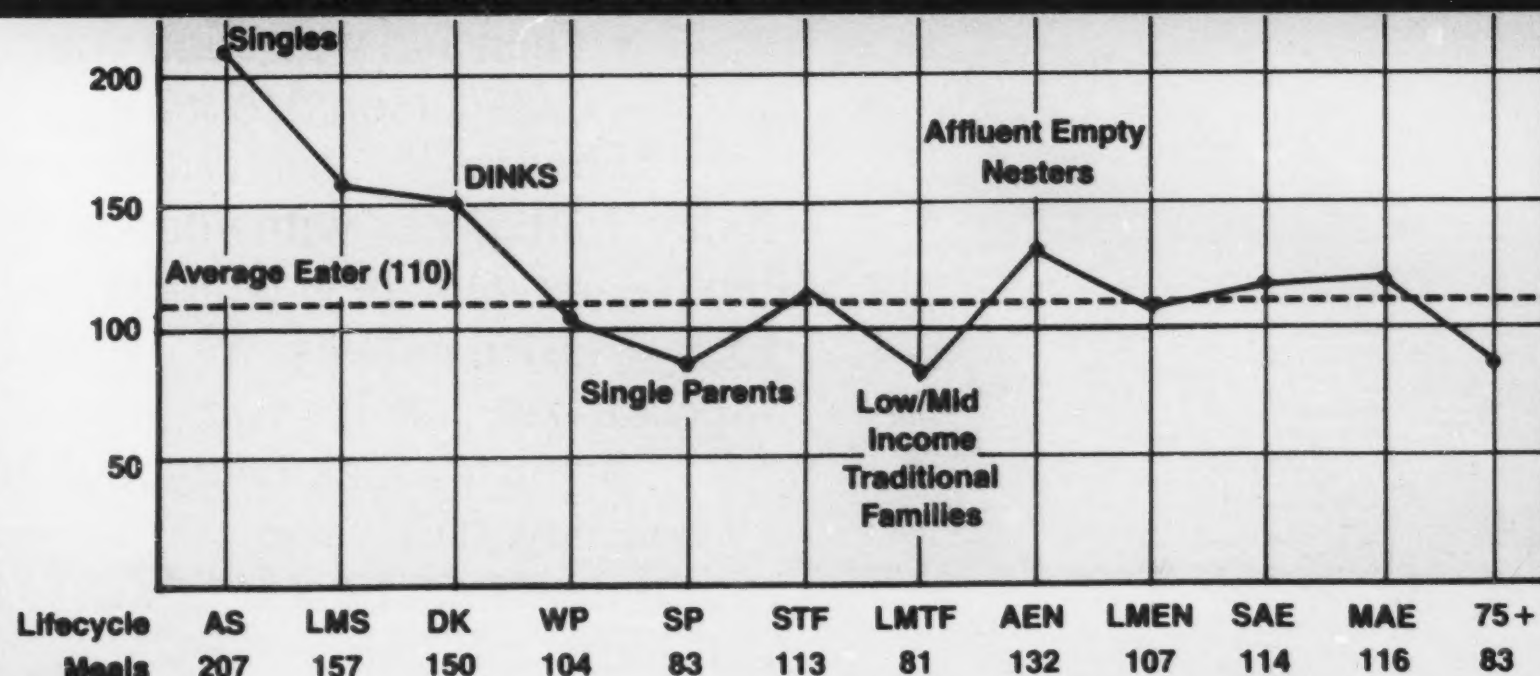


Source: NPD Group

See EATING BEHAVIORS AND LIFECYCLES table for key to abbreviations.

WHO ARE THE MOST ACTIVE RESTAURANT USERS?

(Annual Restaurant Meals/ Snacks Per Person — Includes Take-Home)



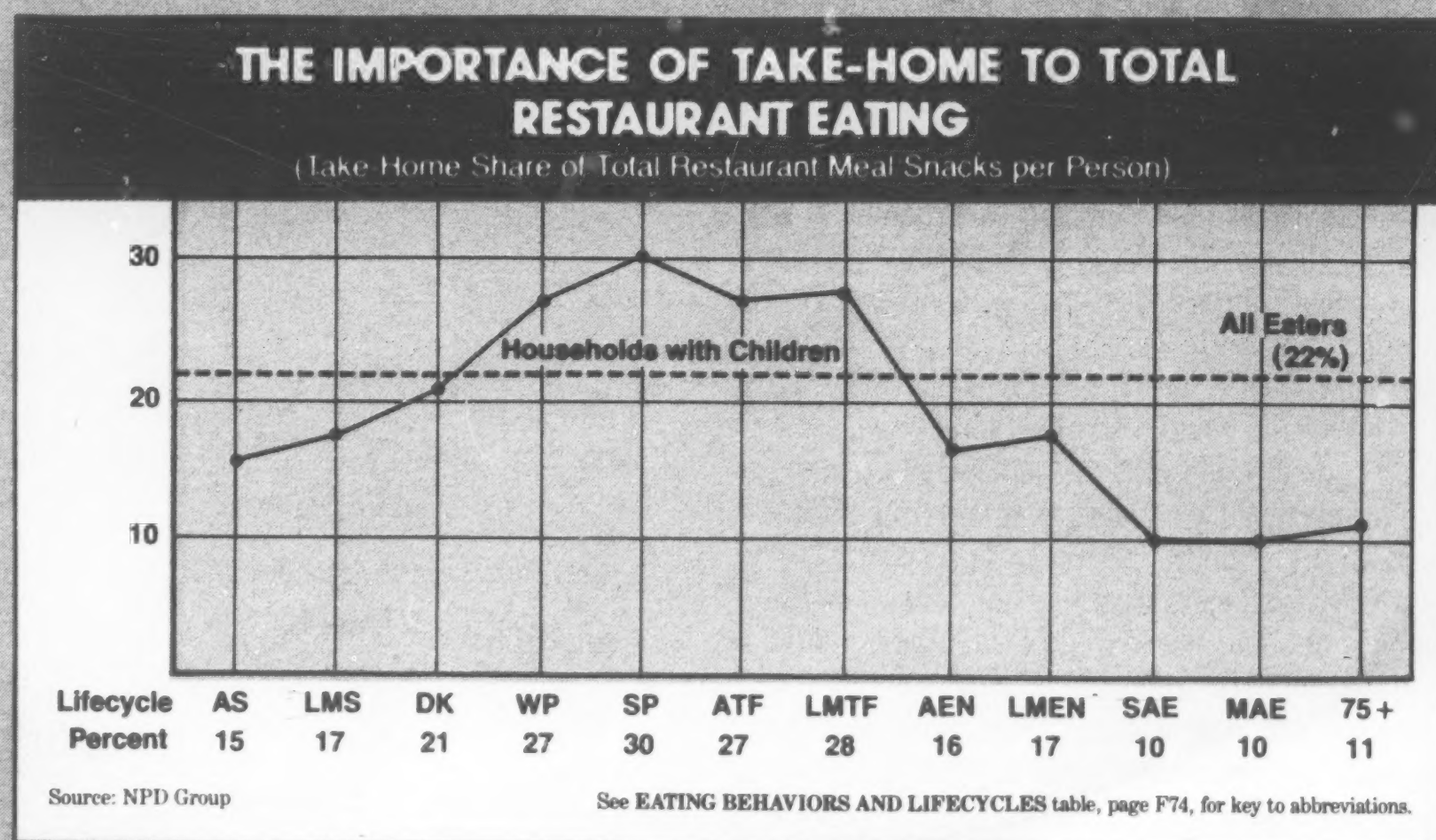
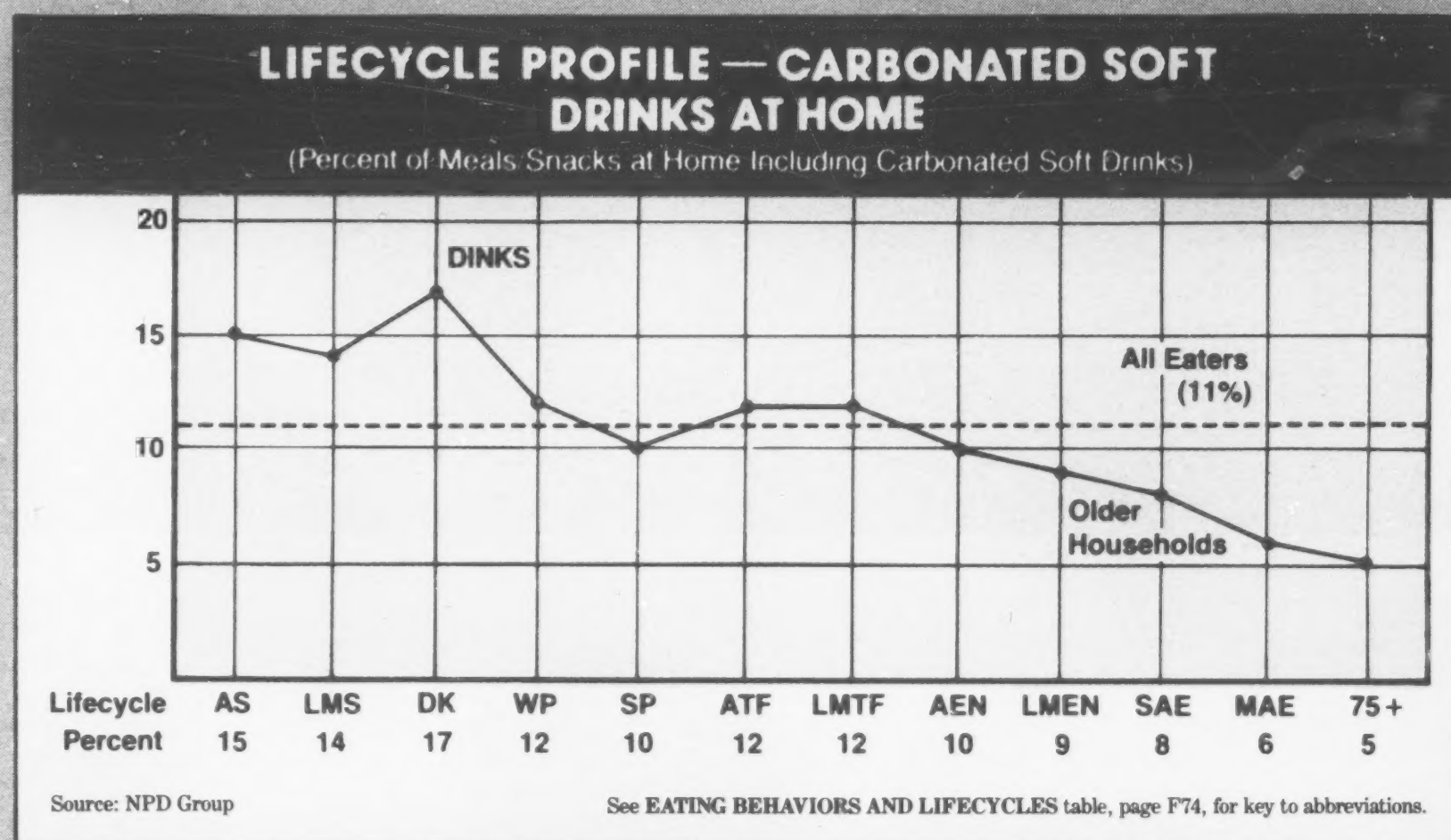
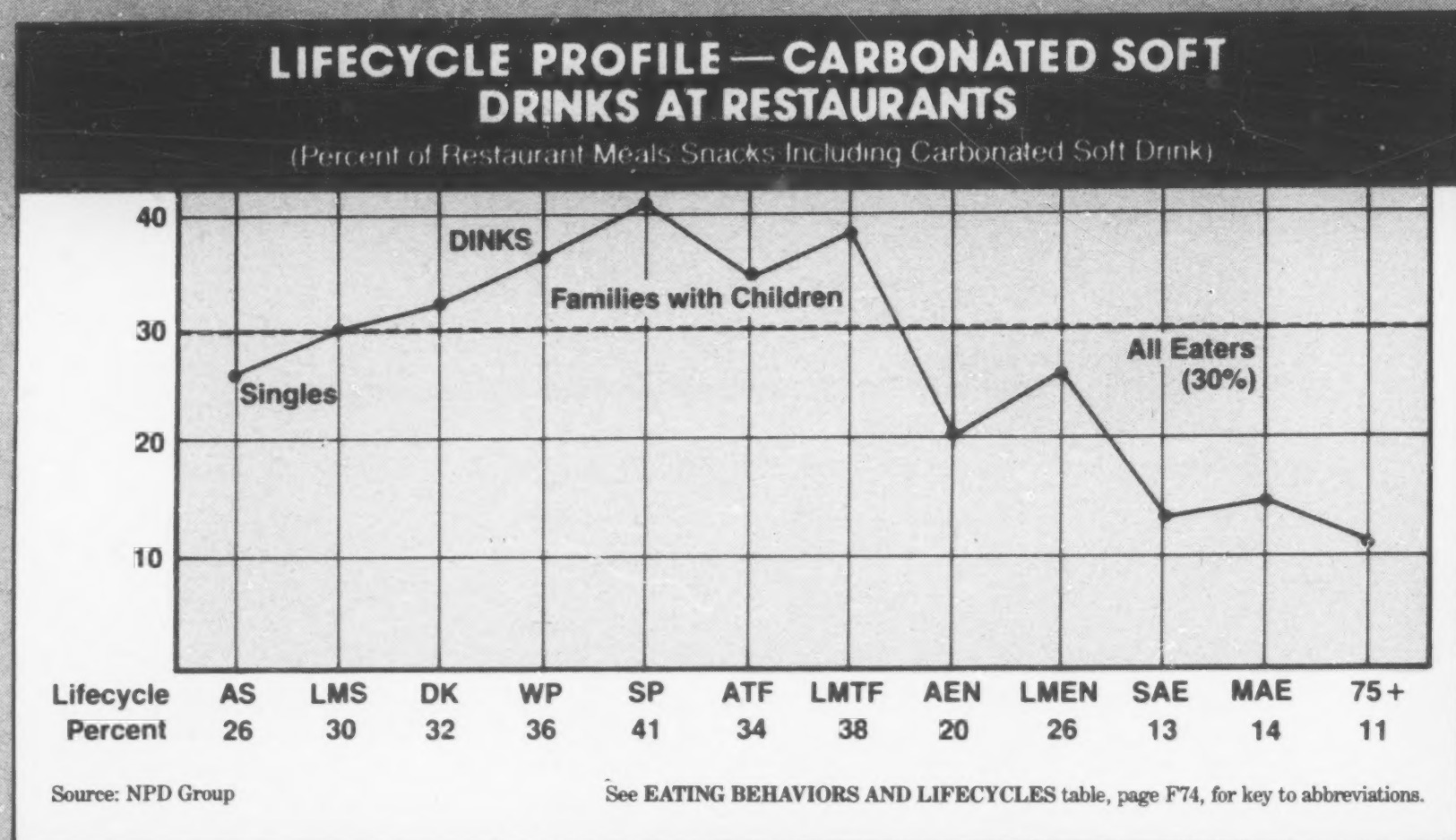
Source: NPD Group

See EATING BEHAVIORS AND LIFECYCLES table for key to abbreviations.

MORE CHARTS
SEE PAGE F76

FOCUS | NRN

NDP Group Report: Eating Patterns in America



**Health care feeders
find new frontiers**

Focus section follows page 40

**Kitchen
aren't all**

Equipment

**Little Fork
takes aim**

ist Report/Page 76

Nation's Restaurant News®

The Weekly Newspaper of the Food-Service Industry

Vol. 22, No. 24

Published every Monday by Lebhar-Friedman Inc.; \$3 a copy, \$26.50 a year

June 13, 1988

Fine-dining coupons flop

By Jack Hayes

Fine-dining operators across the nation are complaining that coupons and restaurant profits mix like horseradish and heavy cream.

The main flaw, said white-tablecloth chefs, owners, managers, and marketing ex-

Operators irked by plundering patrons

ecutives, is that coupons discourage free menu selection—turning patrons away from important profit items like desserts, wines, and appetizers in favor of heavily dis-

counted entrées, often two for the price of one.

"It was wrong getting into coupons," lamented Kurt Karl A. Eisele, a suburban Atlanta operator who is being plun-

dered by coupon bearers at his two-year-old Kurt's Cuisine in Norcross, Ga.

Hidenori Mukai, executive chef at New Japan in Evanston, Ill., agreed, saying,

"It [couponing] brings out customers, but you lose money in the long run."

"Coupons might be great at a Hardee's, but in fine dining you're not turning tables every 20 minutes," warned Glenn Matsuura, president (See COUPONS, page 7)

McD scoffs at takeover talk

Quinlan denies reports at stockholder meeting

By Charles Bernstein
OAK BROOK, Ill. — McDonald's is not the least bit interest-

News Analysis

ed in any merger as either an acquirer or acquiree, president and chief executive Michael

Quinlan declared after the annual stockholder meeting here last month on the pastoral campus of Hamburger University here.

In answer to questions from this editor at a press conference, Quinlan ruled out any merger and emphasized that McD would not test or try any diverse con-

cepts (such as it did in the 1960s and early 1970s with secret tests of pie shops and other ideas).

Reports have surfaced periodically that at some future time Pepsico might try to bid for McDonald's as by far the No. 1 burger chain, although it has never (See MCDONALD'S, page 7)

FOOD WATCH

Calico bean soup bowls 'em over

MINNEAPOLIS — If the first few weeks of spring were any indication, the hot seller at Country Kitchen family restaurants this summer might well be steaming bowls of calico bean soup, a hearty concoction ordered an average 2,730 times per day.

"We've never served so much soup before," said Allan Post, senior vice president of marketing for the 250-unit chain. "The hotter it gets in Phoenix, the more calico bean soup we serve."

Country Kitchen said it has sold more than 1 million bowls of the soup since adding it to the menu a year ago. The idea came, not from the chain's research-and-development department, but from an executive's wife, who discovered the recipe at a church bazaar.

The soup is made with a ham stock and seven types of beans: kidney, great northern, navy, pinto, baby lima, large lima (also known as butter beans), and black-eyed peas.

—Peter J. Romeo

1 in 5 diners refuse to tip for bad service

By Tracey Taylor Woodard

NEW YORK — Four out of five American restaurant-goers say they cut back on tips if they are dissatisfied with service, according to an exclusive new Nation's Restaurant News survey.

In addition, one in five say bad service deserves no tip at all. The survey comes at a time when a controversy is raging over whether restaurants should allow voluntary tipping or impose mandatory service charges.

Many operators of fine-dining, white-tablecloth restaurants are mulling over service charges, ranging from 12 percent to 18

What's your vote: Tips or service charges?

Nation's Restaurant News wants to know where you, as a member of the food-service industry, stand on the issue of tipping vs. service charges.

To lodge your point of view, call the NRN Hot Line toll-free, 1 (800) 678-7711.

When you call, a recorded message will ask you to state your opinion. You can leave your name and phone number or remain anonymous.

Watch for the results in an upcoming issue of NRN.

NRN Hot Line
1 (800) 678-7711

percent, to cover new costs stemming from a new FICA tax, to streamline tip-reporting paperwork, and to professionalize front-of-the-house service.

The latest NRN/SRI Poll, conducted for Nation's Restaurant News by Lincoln, Neb.-based SRI Research Inc., shows 80 percent of the diners questioned reduce a tip if (See NRN/SRI, page 4)



Partners Allen Susser, left, and Tony Goldman.

Restaurateurs lead comeback in Miami

By Marilyn Alva

MIAMI BEACH, Fla. — After years of decline, the Art-Deco-flavored southern end of Miami Beach is regaining its luster as a trendy seaside resort in a makeover led by enterprising restaurateurs.

An estimated \$200 million in new commercial projects are either under way or planned on South Beach, and many are for new restaurants, bars, cafes, nightclubs, and hotel remodelings.

More than two dozen new restaurants and cafes have opened in the last year and a half alone, a remarkable occurrence when one considers that vir-

(See SOUTH BEACH, page 104)

INSIDE NRN

News

Central Park signs 2 franchise pacts	16
Baggott elected FEMA president	16
Enright honored by Michigan chefs	27
Child labor law policies may stiffen	28
Consumers prefer poultry, report states	38
J&W College hosts labor issues confab	74
OK Cafe owners plan to open 2nd Atlanta unit	81
Hotel Association appoints 4 to board	82
Ringelstein new prexy of Culinary Enterprises	82
Stone named master sommelier at wine festival	84
Hardee's appoints new franchise sales manager	84
11th A&W unit sports new prototype design	99

Focus

Section follows page 40

Cover Story/Health center food service ...	F1, F15-F18
Cover Story/Hospitals explore revenue sources ...	F1, F18
Cover Story/3 feeders vie for top hospital clients ...	F15
Bernstein/Age discrimination: missed opportunity ...	F3
Rankin/TJTC program can cut labor costs	F4
Viewpoint/Promptness key to restaurant experience ...	F4
Viewpoint/Letters	F9
Viewpoint/NY malls need exciting atmospheres ...	F11
Viewpoint/IFMA fund: an investment in the future ...	F11
Viewpoint/The necessity of polygraph testing ...	F13
Viewpoint/New Yorkers getting back-to-basics ...	F13
Gruppo Ristoratori Italiani tours Friuli region ...	F20
Tack Room owners unfazed by success	F23
Vendors peddle foods at Stuyvesant Park fair ...	F29
California school debuts student-staffed grill ...	F30
Boston remains seafood lover's mecca	F32
Bill proposes lottery to regulate NY vendors	F24

Columns

Walkup/Michigan chefs go for gold	27
Liddle/First Fickle Fork of Fate award takes aim ...	76
Patterson/Not all kitchen planners are alike	81
Edwards/Foreign chefs can't save St. Regis	99

Food

Fabricant/Preparation of fish with skin intact	11
What's Hot/Portland, Ore.	11
Food News Digest	11

Marketing

Alva/Del Taco and Naugles merge advertising	15
Marketing Digest	15
Ad Watch/St. Regis Sheraton	15

Financial

Beefsteak Charlie's back on track	101
Financial Digest	101
Stock Table	103

Features

F.I.R.S.T. Instructions	16	Product News	89
Letters	F3	Advertiser Index	101

NRN Directory

For your own subscription
to *Nation's Restaurant News*,
call toll-free 1 (800) 262-9500

All other business, call (212) 371-9400 and extension:

Newsroom	285
Display advertising	404
Classified advertising	492
Subscription problems	419

Subscription rate: Food-service operators and wholesalers/distributors, one year, \$26.50, two years, \$44.50. Auxiliary (consultants, architects, designers, manufacturers, suppliers, and schools) and all others, \$50.

Nation's Restaurant News (ISSN 0028-0618) is published weekly, every Monday except the last Monday in December, by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Second-class postage paid at New York, N.Y., and additional mailing offices. POSTMASTER: Send change of address to: Subscription Department, Nation's Restaurant News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079.

For change of address, please write Subscription Department, Nation's Restaurant News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079. Six weeks' notice is requested. Please send old and new address and zip codes. If possible, include mailing label.

NEWS DIGEST

NRA stages 'phone-a-thon' to muster wage opposition

WASHINGTON — With the House of Representatives slated to vote June 22 on a bill raising the minimum wage, the National Restaurant Association is attempting to organize an enormous grass-roots phone-a-thon and telegram effort urging food-service operators to voice their opinions.

Operators are being asked to immediately write or telegram their local congressmen or phone them through the Capitol switchboard at (202) 224-3121 on June 20 to register opposition to an increase in the minimum-wage rate.

Staley agrees to sell CFS Continental to Sysco

CHICAGO — In a deal that will redraft the battle lines of food-service distribution, Staley Continental has agreed to sell CFS Continental, the industry's No. 3 contender, to Sysco, the largest player, for \$700 million.

The purchase would further distance Houston-based Sysco from Kraft, the No. 2 player that has grown by leaps and bounds in recent years through acquisitions.

A sale of Chicago-based CFS Continental had been expected since Staley, a major corn processor, agreed on May 13 to merge with Tate & Lyle, a British holding company.

Beforehand, Tate & Lyle indicated that it would sell CFS to help defray the cost of the deal.

Kraft was believed to be among the other bidders for CFS. The field of suitors also included Sara Lee Corp. and International Multifoods, according to widespread industry reports.

Sysco's purchase of CFS is expected to be completed by the middle of summer.

Ryan's reins in growth to bolster unit sales

GREENVILLE, S.C. — Ryan's, the 108-unit family steak-house chain based here, has scaled down its proposed expansion plans because of sluggish in-store sales and declining stock prices.

"We're just not seeing enough results from our new stores to proceed with breakneck growth plans," said Ryan's president Mark McCall. "Same-store sales are down approximately 5 percent systemwide and lower in some of the Midwest units. Our stock, which had climbed as high as 15 in September, is presently trading below six."

In an effort to reverse the tailspin, Ryan's has added Mexican and Italian items to its Mega-Bar buffet and is testing a \$4.29 Breakfast Bar in 10 stores.

Although Ryan's had scheduled 26 unit openings in 1988, McCall says that the actual number would be closer to 20.

Ore. bank, BK operator team up to offer scrip

PORTLAND, Ore. — Customers of a bank here can now use their electronic teller cards to withdraw "Burger Bucks" scrip from machines in five area Burger King restaurants.

The scrip, in \$10 and \$20 denominations, can be used like cash to make purchases in franchised Burger Kings operated by Restaurant Management Northwest Inc.

The amount of the Burger Bucks withdrawn and a 10-cent transaction fee are electronically deducted from the checking account of the U.S. Bank customer using the scrip machine.

The scrip machines are owned by the restaurant management company and kept stocked by store-level employees, according to banking officials.

Restaurant Management Northwest executives said the scrip machines were installed for customer "convenience."

An employee at the Canyon Road Burger King said the scrip machine at his unit was being used five to six times a day in the week after it went on line. He also said that a summer coupon promotion offering people a free Whopper if they come in and use the scrip machine was planned.

Taco Bell adds 'Mexi Melt' cheese-filled soft taco

IRVINE, Calif. — Trying to lure cheese eaters into its quick-service Mexican restaurants and build average tickets, Taco Bell has added a 99-cent "Mexi Melt" soft taco to its menu.

The MexiMelt is a warm flour tortilla filled with cheddar cheese, pepper-laced Monterey Jack cheese, taco meat, and a salsa-like "pico" sauce.

Window banners, menu board panels, and buttons worn by counter workers herald the new product. Some point-of-sale materials suggest that customers "add" a Mexi Melt to their regular order.

Mexi Melts are an extension of Taco Bell's soft taco line and are heated in the special ovens the chain installed for the roll-out of its "Mexican Pizza."

RMS renegotiates sale after management fails

MACON, Ga. — Management's deal to acquire Shoney's franchisee Restaurant Management Services for \$47 million has fallen through, sending the coffee-shop operator back to the negotiating table.

The purchase agreement, which was signed on May 11, called for a management-led group to purchase all outstanding shares of RMS for a total of \$47 million, or \$11 a share. The parties allowed the deal to lapse.

"I think they had trouble coming up with the financing," said Barry Stouffer, an analyst at J.C. Bradford & Co. in Nashville, Tenn.

RMS said it would continue to negotiate with interested parties, including the management-led group.

Gilbert/Robinson launches drive to license Ott's

KANSAS CITY, Mo. — Gilbert/Robinson, operator of the Houlihan's and Darryl's casual dinner-house chains, said it plans to franchise its 11-year-old Fred P. Ott's Bar & Grill concept.

The effort marks the first time Gilbert/Robinson has attempted to franchise one of its many restaurant concepts on a wide-scale basis. The concern said its only licensed restaurants at present are a few Houlihan's in New York City.

Gilbert/Robinson currently operates two self-service Fred P. Ott's restaurants, both in Kansas City. The units feature hamburgers, hot dogs, grilled sandwiches, and an array of beers.

New Orleans cracks down on restaurant tax dodgers

NEW ORLEANS — An investigation of tax irregularities by the Orleans Parish district attorney has resulted in the filing of charges against a number of local restaurants and bars.

Diego Navia, operator of a now-closed eating and drinking place called Diego's East, has already pleaded guilty to charges of tax evasion. He has agreed to pay \$9,000 in outstanding taxes within the next two years, according to the district attorney's office. During that time, the office indicated, Navia will be on "active probation."

Yet to be decided are the fates of four other operators charged with tax violations as part of the crackdown.

Conn. McD unit offers phone-in pickup service

WEST HARTFORD, Conn. — In what appears to be a test, a McDonald's unit here is featuring a new service whereby patrons phone in orders from their homes and then pick up the orders at a counter station reserved for that purpose.

It was not clear whether the unit was licensed or company-operated.

Some franchisees of the 10,000-unit chain have experimented with alternate means of getting Big Macs into patrons' hands. A licensee in Illinois, for instance, is offering limited delivery service.

NRA SHOW WRAP—UP

Lake Ozark lodge, Greenbriar take awards



Lonnie Alexander finishes up his U.S.S. Constitution model.

CHICAGO — Winners of two best of show awards at the National Restaurant Association's 18th annual Culinary Arts Salon were The Lodge of the Four Seasons in Lake Ozark, Mo., and the Greenbriar Hotel in Greenbriar, W. Va.

The Lodge of the Four Seasons' grand buffet entry included a 3½-foot model of the Old Ironsides frigate, made mostly of sugar. Team members were Andre Torres, executive chef; Lonnie Alexander, pastry chef; Steven Zimmerman, sous chef; and Matt Robinett.

Lawrence McFadden of The Greenbriar received the best of show during the first session of the salon. Judges' special awards in that session went to Leo Waldmeier of the Drake Hotel in Chicago for most original entry; Alain Roby of the Hyatt Regency in Chicago for pastry; and to Alex Darvishi and Arnold Tokars of the

Athletic Club of Columbus, Ohio.

Special awards in the second session were presented to James Hanyzeski of the Amway Grand Plaza Hotel in Grand Rapids, Mich., for best of show in individual hot food, displayed cold; Cynthia Costor of the same hotel for pastry; Guenter Lorscheidt of Four Seasons Inn on the Park, Toronto, for most original entry; and Patty Sinkeldam, Central Piedmont Community College, Charlotte, N.C., for best entry by a junior culinarian.

Other gold medal winners were Robert Straw and Candice Bates of Sullivan College.

The competition was held in two segments for the first time this year because of the large number of entrants. This salon is recognized and endorsed by the American Culinary Federation and the Chefs of Cuisine Association of Chicago.

Kemp asserts: Service jobs offer great hope of economy

By Charles Bernstein

CHICAGO — Rep. Jack Kemp, R.-N.Y., declared here last month that "to look down our noses at service industry jobs is to walk away from the greatest hope of our economy."

Kemp, a Republican presidential candidate earlier this year, was apparently referring to the food-service industry's "Help Wanted" crisis in a Pepsi-Cola sponsored talk to leading industry executives at the Drake Hotel during the National Restaurant Association Show.

Still touted by some as a potential Republican vice presidential candidate, Kemp was noncommittal when asked privately if he was interested in the vice presidency nomination or would seek it.

Pointing to all-time home-run hitter Hank Aaron, another invited guest of Pepsi-Cola, former professional football quarterback Kemp

vehemently advocated a total free enterprise system.

"What do you suppose would happen if we had taken away the financial rewards for big home-run hitters like Hank Aaron and Reggie Jackson?" Kemp asked rhetorically. "When you take away the rewards for the big hitters in our economy, you hurt everyone."

Kemp: Free enterprise is the answer to poverty and unemployment.

Thus the best response to inflation is to keep the economy growing by producing more income, he asserted. "Low tax rates for the heavy producers in our economy are the answer," he said in presenting his own version of Reaganomics.

Deploing a "media-inspired" negative outlook on

the American economy, Kemp declared that "we've got to maintain a positive attitude," and "we shouldn't be flagellating ourselves for every little thing."

The only real answer to poverty and unemployment, in Kemp's view: total, unmitigated free enterprise with virtually no government interference.

"Freedom, free enterprise, justice, and low tax rates on workers and entrepreneurs may sound like clichés," Kemp said, "but they do work in our system, and we must never forget that."

Roger Enrico, chief executive of PepsiCo Worldwide Beverages and author of the controversial book "The Other Guy Blinked," introduced the 18-year congressman as "the man we can thank for our current 28-percent tax rate ceiling and for dramatizing the importance of keeping government out of people's hair."

Roundtable for Women honors five Pacesetters

CHICAGO — Five food-service executives were honored with 1988 Pacesetter awards at the annual Roundtable for Women breakfast in the Chicago Hilton last month.

They were Marian Ilitch, secretary-treasurer of Detroit-based Little Caesars Pizza restaurants, the world's top volume carryout chain; Beverly Lowe, food-services director of the Hampton City, Va., public-school system; Virginia Mayer, president of Tempe, Ariz.-based Sun West Services, a food-service management firm; Catherine "Kacoo" Olinde, co-owner with her husband, Ralph, of Ralph & Kacoo's restaurant, Baton Rouge, La.; and Violet "Vi" Stancik, contract sales vice president of Cleveland-based Alco Foodservice.

Jane Y. Wallace, associate publisher of Restaurants & Institutions and editorial director of the Cahners Food Group publications, was named woman of the year for her contributions to the food-service industry over the past 30 years. George Rice, chairman of GDR Enterprises research services, presented the special award.

Presenting the five Pacesetter awards were the judges who selected the winners: Charles Bernstein, chief editor of Nation's Restaurant News; Scott Bergren, president of Round Table Pizza; Richard Conti, chairman of Laventhol & Horwath's food-services practices group; Sheldon Jones, publisher of The Food-service Distributor; and Richard Reinhard, president of Central Park U.S.A.

The leaders of the Roundtable for Women in Food Service are Beverly Totman-Ham, RWF president and president of The Bradford Group executive search firm, San Juan Capistrano, Calif.; Joan Vieweger, RWF awards chairman and vice president of The Perspectives Consulting Group, Los Angeles; Jo Ann Lovell, RWF program director, of Robert Barrie & Partners, Potomac, Md.; Joni Thomas-Doolin, RWF membership chairman, of Thomas-Doolin & Associates, Dallas; and Madeline Zuckerman, RWF communications director and vice president of Zuckerman Public Relations.

NRN/SRI poll: no tip for bad service

(Continued from page 1)
they consider the service bad.

While 38 percent of the respondents knock a tip down by 1 percent to 5 percent, almost a quarter, or 22 percent, leave no tip at all for poor service.

Older people were the least likely to punish bad service, with 29 percent of those 55 and older saying they do not reduce the tip for that reason.

A full 44 percent of those surveyed leave 11 percent to 15 percent of the bill regularly as a tip. Eighteen percent indicate a 6- to 10-percent tip, with 17 percent offering a tip of 16 percent to 20 percent.

The median tip was 12.64 percent.

The demographic differences were slight, with 46 percent of the males and 54 percent of the females leaving between 11-percent and 15-percent tips.

People more than 35 years old may be the biggest tippers: 48 percent of those between the ages of 35 and 54 leave 11 percent to 15 percent, while 46 percent of those older than 55 do the same. Only 39 percent of those between the ages of 18 to 34 leave the average 11 percent to 15 percent.

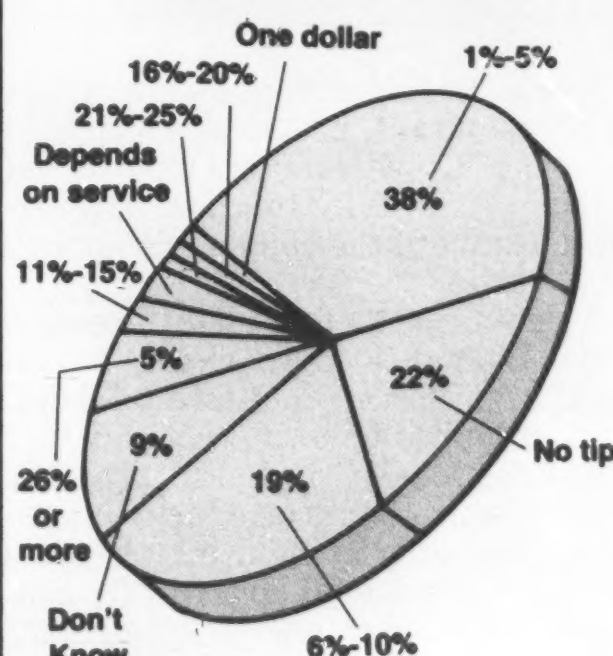
People in the Northeast tend to give more than 10 percent, with 38 percent leaving an 11-percent to 15-percent tip and 30 percent offering one of 16 percent

to 20 percent. In the other regions 45 percent of the South Central group, 42 percent of the North Central group, and 53 percent of the Western group leave an 11-percent to 15-percent gratuity.

More than 1,000 consumers were contacted by telephone during May

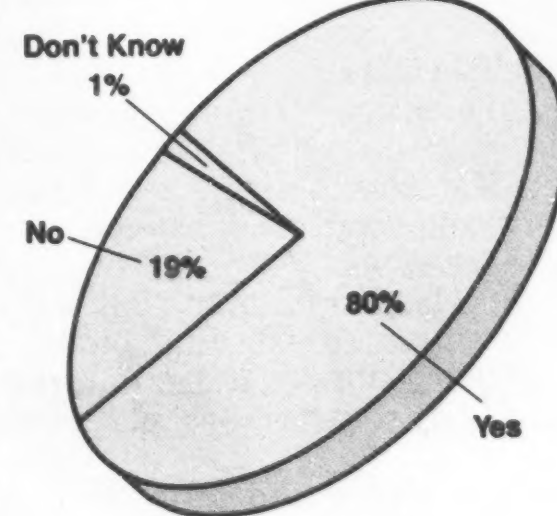
and asked three questions: What percentage of the bill do you generally leave as a tip in a restaurant? Do you reduce the amount of your tip if you consider the service bad? What percent do you knock off your ordinary tip for bad service?

WHAT PERCENT DO YOU KNOCK OFF YOUR ORDINARY TIP FOR BAD SERVICE?



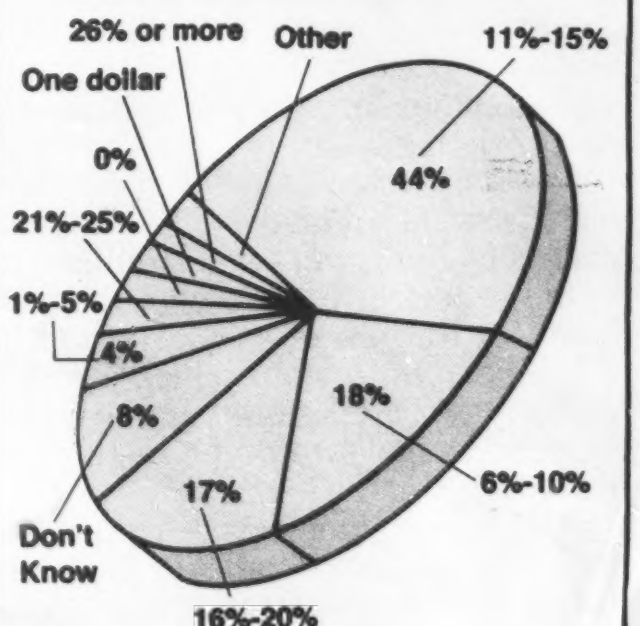
Source: NRN/SRI Research.

DO YOU REDUCE THE AMOUNT OF YOUR TIP IF YOU CONSIDER THE SERVICE BAD?



Source: NRN/SRI Research.

WHAT PERCENTAGE OF THE BILL DO YOU GENERALLY LEAVE AS A TIP IN A RESTAURANT?



Source: NRN/SRI Research.
Demographic breakdowns available